



CAC Item C7

Staff Report Item 11

TO: East Bay Community Energy Board of Directors

FROM: Alec Ward, Associate Policy Manager

SUBJECT: Update on EBCE's State and Federal Legislative Process
(Informational)

DATE: October 19, 2022

Recommendation

Receive an informational update on state and federal bills EBCE has been tracking and taking positions on this legislative session.

Background and Discussion

The intent of this staff report is to provide an update on the eleven state and federal bills EBCE has taken a position on this legislative session, as well as give an overview of other bills that are relevant to EBCE. The final day for California lawmakers to pass bills this year was August 31st.

Fiscal Impact

SB 846 may result in additional funding for EBCE energy reliability and an increase in customer non-bypassable charges.

AB 179 may result in additional funding for EBCE programs.

AB 209 may result in additional funding for EBCE programs.

SB 1112 may result in additional funding for lowering TOB financing costs.

HR 5376 may result in lower renewable energy costs for EBCE and benefits to EBCE customers through energy tax credits and other programs.

Attachments:

A. Presentation

OCTOBER 19, 2022

Legislative Update



Key Deadlines for the 2022 State Legislative Year

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- 1/3: Legislature reconvened
- 1/10: Governor submitted budget
- 1/31: Deadline to move 2-year bills out of 1st house
- 2/18: Bill introduction deadline
- 4/29: Policy cmtes to move fiscal bills to fiscal cmtes (1st house)
- 5/6: Policy cmtes to move nonfiscal bills to floor (1st house)
- 5/20: Fiscal cmtes must move bills to floor (1st house)
- 5/27: Last day for bills to be passed out of 1st house
- 6/15: Budget bill must be passed
- 7/1: Policy cmtes to meet and report bills (2nd house)
- 8/12: Fiscal cmtes to move bills to floor (2nd house)
- 8/31: Last day for each house to pass bills
- 9/30: Last day for Governor to sign/veto bills

SB 846 – Diablo Canyon Power Plant Life Extension

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- **Background:**
 - PG&E was to retire Diablo Canyon (DCPP) in 2024 (unit 1) and 2025 (unit 2)
 - The retirement aligned with Nuclear Regulatory Commission (NRC) license expirations
 - In August, Gov. Newsom announced intent to keep the plant open and a request to federal gov. for \$1 billion for extension support (due Sept.)
 - Lawmakers initially upset by late proposal, but negotiated with Newsom for eventual wide-margin passage
- **Statute:**
 - Permits extension of DCPP for up to five years beyond planned retirement
 - Directs various cost-recovery mechanisms (covered in next slide)
 - Excludes DCPP from any future resource planning except for RA procurement compliance, which California Public Utilities Commission (CPUC) will address
 - Creates a Clean Energy Reliability Investment Plan funded at \$1 billion

SB 846 – DCPD Cost Recovery

- Loans \$1.4b (\$600m initially) from the general fund for DCPD extension
- Most cost recovery details left to the CPUC:

The bill would require the PUC to take certain actions to enable the operator of the Diablo Canyon powerplant to recover the reasonable costs and expenses of operating the Diablo Canyon powerplant, as provided, including the imposition of a fully nonbypassable charge on all customers of electrical corporations, electric service providers, and community choice aggregators, and would require the PUC to authorize the operator to recover in rates an operating fee for each megawatthour generated by the powerplant, as specified.*

*Leg Counsel summary

Other End of Session Bills

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- **AB 179 (Ting):**
 - \$162 million for equitable building decarb
 - \$235 million for ZEV infrastructure
 - \$45 million for offshore wind
 - \$200 million for transmission
- **AB 209 (Ting):**
 - Expands Demand Side Grid Services Program (\$295 million) to our customers
 - Increases SGIP to \$900 million
- **AB 1279 (Muratsuchi):**
 - Requires CA achieve carbon neutrality by 2045

State Bill Tracker - Assembly

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Bill #	Author	Description	Sponsor	Status	EBCE Position
AB 1814	Grayson	Authorizes CCAs to file applications for PUC programs and investments to accelerate widespread transportation electrification.	CaICCA	Author withdrawn	SUPPORT
AB 1960	Villapudua	Encourages the Senate and the Governor to consider permanent residents of northern, southern and the central valley regions of the state to provide more regional diversity among CPUC commissioners.		Vetoed by Gov 6/21	SUPPORT
AB 2061	Ting	Requires data disclosure on EV charging station availability for stations using public or ratepayer money and requires the CEC to assess reliability and equitable access issues.	Flo	Signed by Gov 9/16	WATCH
AB 2667	Friedman	Establishes and requires CEC to administer state IDER Fund to incentivize eligible resources to support consumer adoption of clean DERs, creates a system to award incentives.	NRG / EDF	Failed Sen floor vote 8/30	OPPOSE UNLESS AMENDED
AB 2765	Santiago	Creates a new taxpayer-funded fund to cover the costs of CPUC Public Purpose Programs including energy efficiency and conservation, and arrearage management, instead of continuing to rely on customer delivery rates. Reverts to utility ratepayers if fund isn't sufficiently funded by the legislature. Excludes CARE/FERA.	Sempra	Held in Asm Approps Cmte	SUPPORT

State Bill Tracker - Senate

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Bill #	Author	Description	Sponsor	Status	EBCE Position
SB 1020	Laird	Sets interim targets for meeting renewable/zero-carbon goals: 90% by end-2035, 95% by end-2040; 100% for state agencies by 2030. State agencies can comply through their LSE, but LSE procurement for the state agency must meet certain criteria. Establishes new fund to support the costs of decarbonization, clean energy, and wildfire mitigation activities with funding sources outside of electricity rates. Establishes new nonprofit public benefit corporation to administer the fund.	Senate Climate Change Working Group	Signed by Gov 9/16	SUPPORT IF AMENDED
SB 1063	Skinner	Authorizes the CEC to make standards for energy- and water-efficient appliances effective sooner than one year after adoption if there's a finding of good cause.	CEC	Signed by Gov 9/16	SUPPORT
SB 1112	Becker	Requires energy suppliers (including CCAs) offering decarb programs to record a decarb charge notice, then notice of full cost recovery, then notice of charge removal with the project's county.		Signed by Gov 9/29	SUPPORT
SB 1136	Portantino	Expedites CEQA if a project uses skilled & trained labor. It also expanded environmental review to "energy efficiency standards" and "performance standards".		Vetoed by Gov 9/28	OPPOSE UNLESS AMENDED
SB 1158	Becker	Changes the Power Source Disclosure rules to require utilities and CCAs to report comparisons of their energy and capacity purchases with their electricity demand on an hourly basis including the associated GHG emissions.		Signed by Gov 9/16	WATCH
SB 1385	Cortese	Establishes a new 1,500 MW multifamily housing local solar program that requires each large electrical corporation (IOU) to construct solar and storage systems connected to the distribution system in front of the customers' meters on or near multifamily housing.	CA State Assoc of Electrical Workers / CCUE	Held in Asm Approps Cmte	OPPOSE UNLESS AMENDED
SB 1393	Archuleta	Requires local jurisdictions to consider CEC guidance before mandating that retrofits to a bldg. must upgrade fossil appliances to electric and to file records with CEC.		Held in Asm Approps Cmte	OPPOSE

Federal Bill Tracker

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Bill #	Author	Description	Status	Recommended EBCE Position
H.R 5376	Yarmuth	Authorize renewable energy tax breaks including extending and expanding the Investment Tax Credit (ITC) and Production Tax Credit (PTC), as well as other clean energy-friendly provisions including building decarb incentives, electric vehicle tax credits, and environmental justice incentives.	Signed by President 8/16	SUPPORT